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FIRST COUNTRY COOPERATION FRAMEWORK FOR JAMAICA (1997-2001)

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INTRODUCTION

1. The first country cooperation framework (CCF) for the Government and people of Jamaica is the result of a collaborative process involving government agencies, civil society institutions and organizations of the United Nations system. It has taken into account the country strategy note, the results of the 1995 mid-term review of the fifth-cycle programme, as well as the UNDP advisory note for the period 1997-2001. These documents were useful in determining the strategy and thematic areas for UNDP cooperation with the Government of Jamaica. The CCF articulates the programmes to be undertaken by the Government and UNDP for the period 1997-2001.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. Jamaica, a small island of 10,990 square kilometres, with a population of 2.5 million, has a limited market base like many other developing countries. Its principal economic sectors have been tourism, mining, agriculture and services, sectors that are very vulnerable to external factors.

3. The economic adjustment programmes of the 1970s and 1980s that the Government undertook in cooperation with the International Monetary Fund achieved a certain level of economic stability, but at enormous economic and social cost. The policies pursued involved, inter alia, reductions in government spending on social and economic services, the redundancy of several thousand public sector workers, the removal of price controls and subsidies, and a reform of the tax system intended to discourage consumption and stimulate investment and exports; the consequences of these policies are still being felt today.

4. Based on the latest comparative statistics, Jamaica's per capita gross national product is $1,420, well below the average for lower middle income countries, and only marginally above its 1970-1975 level of $1,380. The success of the Government in recent years in providing internal stability and confidence in the ability of the authorities to manage the economy well has created improved conditions for investment and economic growth that will hopefully have an impact in the near future.

5. One of the most negative legacies of the adjustment process and past instability is the significant number of Jamaicans living in poverty. It is estimated that approximately 34 per cent of the population currently falls below the poverty line. Recent data indicate that the wealthiest 20 per cent of the population accounts for 46 per cent of total consumption, while the poorest 20 per cent account for only 6 per cent of consumption. Similarly, the poorest 10 per cent have a mean per capita consumption of $203, while the wealthiest 10 per cent enjoy a mean per capita consumption of $2,433.

6. Poverty eradication has, therefore, become one of the highest priorities of the Government, involving the public sector, civil society and external development partners. The challenge will be to ensure that remedial measures

take place with the full participation of poor communities and their institutions, and that government initiatives are coordinated and consolidated in response to the needs expressed by the beneficiaries themselves.

7. At present, the Government is already addressing a number of priority challenges. Efforts are aimed at improved governance through modernization of the public sector and by significantly strengthening local government. Sluggish growth in the manufacturing sector has been more pronounced than in the other productive sectors, and assistance is needed to reverse this trend.

8. Many of the above areas are closely interconnected. The Government would like to see the effects of UNDP cooperation contribute to improvements in all the above areas because they define to a large extent what progress can be achieved in sustainable human development. The main focus and the most direct impact of cooperation with UNDP, however, is expected to be in the areas of poverty eradication, strengthening local government, and the promotion of small- and medium-scale enterprises.

II. RESULTS AND LESSONS OF PAST COOPERATION

9. The programme of cooperation during the fifth cycle (1992-1996) reflected the goals of the Government's National Five-Year Development Plan, which sought primarily to remedy the negative social consequences of the structural adjustment years. Programme resources were concentrated on human resource development, particularly in the public sector; increased production and productivity; environmental management; and poverty alleviation. The May 1995 mid-term review concluded that "continuity, rather than change" reflected the progression from the fourth to the fifth cycle. While pursuing a deliberate government policy to ensure that projects that had been initiated were brought to a successful conclusion, this carry-over of projects masked the definitive initiation of the fifth cycle and, therefore, diminished the ability to analyse the impact of the new cycle.

10. A general assessment of the programme revealed, however, that the majority of projects and resources concentrated on human resource development in the public sector, as well as increasing production and productivity of small- and medium-scale enterprises. With respect to the former, while the intervention was not an unqualified success, it contributed through the Human Resources Development Programme to improving the capacity of public sector entities (particularly, health and education) to manage and administer externally-funded and government-supported projects. The Primary Mathematics Improvement Project was designed to improve the quality of teachers and, consequently, the quality of students. The increased capacity of teachers to effectively deliver lessons in mathematics is expected to have significant impact on generations of students. The UNDP intervention in the productive sector constituted one of the most successful aspects of the fifth-cycle programme. Impressive advances were made in improving packaging designs and the quality of products, and in increasing production levels.

11. The areas of environmental management and poverty alleviation have remained unexplored. Poverty alleviation, although recognized as a critical need during

the fifth cycle, did not have a clearly articulated strategy, with the result that no specific project was developed fully to address this area.

12. Although the country programme reflected the priorities of the Government, the mid-term review identified the dominant role played by UNDP in the programming process and in formulation of the actual country programme document. Despite concerted efforts to establish linkages between those who initially identified projects and the project beneficiaries themselves, this was not satisfactorily achieved; as a result, the benefits of participatory development at all levels did not generate commitment to ownership, and therefore could not ensure sustainability of project outputs.

13. During previous country programmes, the relative portion of government cost-sharing has grown considerably larger, reflecting the reduced availability of UNDP resources, the Government's preference for a sizeable volume of cooperation with UNDP, and good experiences with the cost-sharing facility. As a result, the programme completed in 1996 had an overall volume five times the size of its indicative planning figure.

III. PROPOSED STRATEGY AND THEMATIC AREAS

14. The lessons learned during the past years have shown the Government that there is a need for greater focus in the UNDP programme, as well as a larger degree of complementarity with domestic resources and other bilateral/ multilateral assistance in promoting priority programmes. To overcome notions that previous UNDP programmes have been largely donor driven, the Government embarked on an extensive consultative and participatory process intended to ensure maximum involvement of the Government, non-governmental organizations (NGOs), community-based organizations (CBOs) and other stakeholders in the formulation and development of the new programme. These consultations resulted in the design of a National Poverty Eradication Policy and Programme, which informed the preparation of the country strategy note. This document will continue to guide Jamaica's relations with the wider United Nations and donor community over the medium term. The participatory planning process that characterized both programme formulation and the elaboration of thematic areas will ensure national ownership of the programme, which is vital for its long-term sustainability.

15. The overarching purpose of the programme of cooperation with UNDP will be the eradication of poverty. Modernization of both the productive and public sectors is also seen as essential in the Government's attempts to improve the human condition in Jamaica. A poverty mapping exercise resulted in identification of the areas of most severe poverty, and provided a system to classify them by degree of severity.

16. Since the Government acknowledges that the success of the entire cooperation programme is dependent on the sustainability of projected outputs, a deliberate policy of capacity-building, both in the communities affected by poverty (to identify their problems, strengths and strategies), and in the government institutions most involved in poverty eradication programmes, is being pursued. The Government has chosen an integrated programme approach,

incorporating resources available from the public sector, donor and lender. UNDP funds will be used to supplement these resources and complement activities in the National Poverty Eradication Programme, bearing in mind the mandates of all participants.

17. The broad composition of a newly-established Partnership Board, chaired periodically by the Prime Minister; assigning direct responsibility for the National Poverty Eradication Programme to a cabinet minister in the Prime Minister's Office; and the government appointment of a national coordinator clearly manifest the commitment of the Government to this unique programme. At the same time, participation on the Partnership Board of the private sector and several ministries, including the Ministry of Local Government, will ensure close cooperation and even integration of activities, both strengthening local governance and promoting small and medium enterprises. In this way, the areas chosen by the Government for UNDP intervention will benefit at the outset from an institutional, coordination and management arrangement that has established the closest possible links among the three principal themes of UNDP cooperation with Jamaica. The importance of the coordinating role of UNDP is recognized as critical to the success of these initiatives, especially when the multifaceted reality of poverty is considered.

18. Jamaica has maintained an active interest in the UNDP regional programme, and the thematic areas identified in the regional cooperation framework (RCF) mirror the immediate priorities of the Government. A concerted effort will be made to ensure that appropriate linkages are established between the initiatives outlined in the CCF and those of the RCF. Jamaica benefits from a regional programme funded by the Global Environment Facility (GEF) to address the problem of contaminated bays. It is expected that Jamaica will continue to participate in this important activity.

A. Poverty eradication

19. Jamaica's National Poverty Eradication Programme is a joint effort of various national and donor/lender institutions, coordinated by a specially appointed, full-time national coordinator in the Office of the Prime Minister. The programme essentially attempts to achieve two objectives: first, to convert the prevailing culture of government hand-outs to a culture of governmental and non-governmental institutions responding to initiatives originating in the communities themselves that generate income and employment; and second, to achieve coherence of the various ongoing and planned activities as a strategic and effective response to poverty. Both objectives are reflected in the National Poverty Eradication Policy and Programme. The national coordinator and the Partnership Board are entrusted with this challenging task.

20. The activities carried out under the National Poverty Eradication Programme aim to reduce the number of people living below the poverty line in target communities by 50 per cent by the year 2000. There will be more transparency and interaction among all groups of society involved in poverty activities, particularly the smallest ones, making the overall effort more visible and manageable. The Planning Institute of Jamaica, the Office of the Prime Minister and the Social Development Commission will be better able to achieve actual

eradication of poverty by ensuring coherence and strategic use of existing resources.

21. UNDP has been cooperating with the Government in poverty-relevant activities in the broadest sense. Continued UNDP support to poverty eradication under the new programme should be one of its most important contributions to development in Jamaica. The Government has selected 15 target communities that will be the focus of initial UNDP-supported interventions. An important instrument for identification of needs and responses will be the UNDP-supported national human development report. The Government is committed to preparing this report periodically, starting with a first edition in 1998.

22. The establishment of a Sustainable Development Network in Jamaica is part of the national poverty eradication process and constitutes a vital tool for creating a better-informed community that is able to use relevant experiences inside and outside the country and communicate internally, and at an affordable cost even for the economically weakest participants. Programmes supporting the environment will be complementary to and consistent with the large national poverty eradication effort. An effort will be made to break the vicious circle of poverty degrading the environment and environmental degradation institutionalizing poverty.

23. Jamaica's fragile ecosystem depends heavily on the preservation of water resources. Management of the island's watersheds will be a major intervention in this context through the Watershed Management Project and the National Forestry Action Plan. Pollution control will also be given priority attention. Public education and training programmes, support of legislative processes, enhancing the capacity to enforce existing legislation and to ensure compliance with international conventions will constitute important aspects of the programme in this sector. The Agenda 21 project will seek to improve the decision-making and policy-setting process in the public and private sectors to ensure that all environmental measures are institutionalized in every sector of society. Collaboration with other donor agencies will be geared towards ensuring effective use of programme resources.

24. As part of the process of achieving greater programme coherence, quality programmes with well-established institutions will be undertaken. The United Nations Volunteer Programme (UNV) is expected to cooperate with the SKILLS 2000 Programme, which is also supported by the World Food Programme, through an innovative model of national UNVs. Continued assistance should be provided by UNDP through other financial windows such as Phase Two of the Partners in Development Programme, as well as the LIFE (Local Initiative for the Urban Environment) Programme which, despite its small size, has become a notably successful model of cooperation with poor communities. Resources available to the Resident Coordinator will also be used to complete the Sustainable Development Network, given its importance to poverty initiatives and the overall coordination role of the Resident Coordinator.

B. Improved governance - modernization of the public sector

25. Decentralization of governance - in particular, revitalization and strengthening of the parish councils, including closer links between local governments and local communities and joint management of the physical infrastructure to support successful economic activities - is one of the major initiatives taken by the Government.

26. The Ministry of Local Government and Works is in charge of the comprehensive Parish Infrastructure Development Project, which is a cooperative effort of the Government and the World Bank, with sizeable preparatory support from UNDP. The most important contribution UNDP is expected to make in this initiative is to provide loan management services to the Government and expedite implementation of the project using the cost-sharing agreement of cooperation between the World Bank and UNDP. The significance of UNDP involvement, apart from starting important preparatory activities prior to signature of the final loan agreement, is that this is the first time loan management services are being provided to the Government. Successful implementation of this programme will be an important first step towards providing this type of cooperation throughout the Caribbean region.

27. In an attempt to liberalize, deregulate and decentralize the government bureaucracy to enable it to meet the demands of modern society, an efficient, service/results-oriented public service must be established and equipped with the requisite skills to respond to the needs of the poor. This will be achieved through varied interventions within the Public Sector Training Programme, institutional strengthening of the Planning Institute of Jamaica and the Project Cycle Management Project, all of which are expected to complement the larger Public Sector Modernization Programme.

28. The ability of the Government to formulate, manage and monitor the modernization process will be enhanced through the installation of mechanized systems of control, public education programmes, preparation of policy documents, adoption of appropriate legislation, development of the technical capacity of government agencies, and rationalization of the activities of these agencies.

C. Modernization of the productive sector

29. Jamaica has developed a comprehensive National Industrial Policy that has articulated the requirements for creation of a favourable investment climate, diversification of the production process and increasing overall production of agricultural and manufactured products. With the manufacturing sector being the largest contributor to gross domestic product, providing employment for 10 per cent of the employed labour force, concerted efforts will be made to facilitate the modernization of the productive sector through exposure to new and improved technologies that will generate increased production and productivity.

30. Due to the growing importance of the small and medium enterprise sector, the Government in collaboration with UNDP will promote the competitiveness and

increased productivity of small and medium enterprises. Under this project, which is executed by the United Nations Industrial Development Organization, UNDP will support the creation of conditions and positive experiences for closer cooperation among small and medium enterprises, sharing information, skills and facilities to reduce cost and improve quality. The groundwork for this project was laid during the previous country programme, with very encouraging results. Resource centres in rural areas, interlinked by the Sustainable Development Network or similar arrangements, will also penetrate poor communities islandwide and thereby make a contribution to the production, income- and employment-generation strategy of the National Poverty Eradication Programme.

31. The impact of this programme is not only the implementation of an important aspect of the Government's National Industrial Policy, but the concrete enlargement of the productive base of the country through small and medium enterprises, which seems to be a realistic and reliable approach to encouraging manufacturing and the growth of industrial production in Jamaica. Small enterprises will also be located throughout the country in a more decentralized fashion and offer employment and business opportunities in many places.

IV. MANAGEMENT ARRANGEMENTS

32. The CCF essentially endorses the UNDP advisory note and reflects the broad agreement that exists between the Government of Jamaica and UNDP with regard to development priorities and UNDP support. The Government has initiated a demand-driven, participatory partnership approach involving potential project beneficiaries, CBOs, NGOs and the private sector in the design and implementation of the CCF. The assistance and experience of those involved and of other national and international organizations will be sought in the execution of projects, where necessary.

33. As the agency with primary responsibility for the coordination of external assistance and loan programmes, the Planning Institute of Jamaica will supervise the formulation of projects reflecting the strategies and thematic areas outlined in this CCF, which is fully consistent with the UNDP mandate. Add-on resources earned in the past have recently been approved under a technical assistance agreement and will be implemented at the outset of the new programme to improve the management capacity of the Planning Institute of Jamaica.

34. National execution will remain the principal implementation modality for the new programme. As the cost of consultants continues to increase, the Government will resort to the less expensive technical expertise of technical cooperation among developing countries (TCDC) and UNV. These will provide services at reduced cost that are relevant to the needs of the country. There will also be a concerted effort to take advantage of the skills available in other international and national organizations, NGOs and CBOs.

35. The success of the country programme will depend on integrated and well-coordinated interventions, hence the Government intends to utilize the relative advantage of the technical assistance programme of UNDP in terms of its flexibility and responsiveness to the Government's priorities to complement activities being undertaken by other national and international agencies.

Emphasis will be placed on adoption of the programme approach to development to ensure the most effective utilization of resources.

36. Monitoring of progress will be undertaken in quarterly programme reviews between the Planning Institute of Jamaica and UNDP, as well as other partners involved in the respective programmes. These reviews will also include an overall financial review of the status of commitments and actual expenditures against available resources to ensure speedy revision of projects and realistic, up-to-date project budgets. Annual audits will be undertaken to ensure accountability and financial prudence. General programme reviews will be undertaken triennially, involving the implementing organizations, the intended ultimate beneficiaries, the Government's technical coordinating agencies and the donor organization, with guidance from other relevant technical agencies.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR JAMAICA (1997-2001)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	(146)	
TRAC 1.1.1	1 218	Assigned immediately to the country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to the availability of resources.
Other resources	537	
of which:		
Add-on funds	490	
TCDC	47	
SPPD/STS	64	
Subtotal	1 673[a]	
NON-CORE FUNDS		
Government cost-sharing	64 691	Includes government cost-sharing of World Bank loan
Sustainable development funds	1 615	
of which:		
GEF	996	
Montreal Protocol	286	
Capacity 21	333	
Funds, trust funds and other	100	Partners in Development II
Subtotal	66 406	
GRAND TOTAL	68 079[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TCDC = technical cooperation among developing countries; and TRAC = target for resource assignment from the core.